

WELCOME TO THE EXPORT-IMPORT BANK OF THE UNITED STATES AFRICA UPDATE December 2006

Welcome to the Ex-Im Bank Africa Update, a publication of the Export-Import Bank of the United States (Ex-Im Bank).

Ex-Im Bank is an independent U.S. government agency that helps finance the export of U.S. goods and services primarily to emerging markets throughout the world by providing loan guarantees and export credit insurance.

This e-mail publication highlights the Bank's activities and continued commitment to expand trade with sub-Saharan Africa.

HIGHLIGHTS:

- Ex-Im Bank Director Speaks at Nigeria's First International Workshop on Maritime Finance and Infrastructure Development
- International Business Development Team Visits North and West Africa
- Ex-Im Bank Presents during Nigeria's First Conference on Risk Management in the Banking Sector
- Ex-Im Bank Participates in U.S. TDA/Eskom Power Industry Conference in South Africa
- Ex-Im Bank Presents at CCA's Infrastructure Conference in September and Africa Oil and Gas Conference in November
- Ex-Im Bank Participates in Oklahoma-International Trade and Investment Conference
- Ex-Im Bank's 2006 Sub-Saharan Africa Advisory Committee Convened its Final Meeting of the Fiscal Year
- Recent Authorizations

Ex-Im Bank Director Speaks at Nigeria's First International Workshop on Maritime Finance and Infrastructure Development

On December 12-13, 2006, Nigeria's National Maritime Administration and Safety Agency sponsored the First International Workshop on Maritime Finance and Infrastructure Development in Lagos, Nigeria. Entitled "Stakeholders and Capital Providers: Collaborating to Develop Nigeria's Maritime Industry," this conference focused on the importance of finance in the maritime sector and the need for substantive collaborations between financial institutions and maritime stakeholders. Ex-Im Bank made a presentation during the session "Accessing the Funds: Local and International Options."

In addition to a number of local agencies and key players in Nigeria's maritime, finance and energy sectors, Ex-Im Bank joined other U.S. agencies such as the International Finance Corporation, U.S. Department of Transportation and U.S. Trade and Development Agency for this event. Ex-Im Bank's Director J. Joseph Grandmaison presented at this event along with Paulo F. Gomes, former Executive Director for Africa, World Bank; Ms. Jean McKeeve, Associate U.S. Maritime Administrator, U.S. Maritime Administration; Mr. Kevin Sample, Senior Policy Advisor to the U.S. Secretary of Transportation and Ms. Enoch Ebong, Attorney Advisor, U.S. Trade and Development Agency.

International Business Development Team Visits North and West Africa

In September, C. Michael Forgione, Vice President of International Business Development and John Richter, Regional Director for Africa visited the Northern African countries of Libya and Tunis. Given the recent change in Ex-Im Bank's coverage policy in Libya, the International Business Development team conducted meetings with public sector operating companies and leading private sector businesses to introduce Ex-Im Bank and survey Libya's opportunities for the importation of U.S. goods and services.

Following the meetings in Libya, John Richter visited the African Development Bank in Tunis, Tunisia to explore ways in which the institutions can work together. Ex-Im Bank had the opportunity to visit personally with the new president of the AfDB, Donald Kaberuka and several of his vice-presidents, and discussed the activity of Ex-Im Bank and the focus on the private sector in SSA.

C. Michael Forgione along with Ricardo Michel, International Business Development Officer for Africa traveled to Cameroon and Gabon to meet with business leaders, public officials and lending institutions. In Cameroon, Ex-Im Bank conducted presentations at the Cameroonian Chamber of Commerce and the American Business Association in Douala.

Following the Cameroon and Gabon visits, Mr. Michel traveled onward to Ghana and met with private sector businesses and financial institutions. Mr. Michel also presented Ex-Im Bank's short term and medium term financing solutions to participants attending the half day seminar sponsored by the West African Trade Hub (WATH). In addition, the Millennium Development Authority in Ghana, the recent recipient of \$547 million MCC grant, sponsored an event for Ex-Im Bank, at which Mr. Michel discussed the opportunity to work with Ex-Im Bank to contractors who would potentially be bidding for the development projects and likely be in need of U.S. products.

Ex-Im Bank Presents during Nigeria's First Conference on Risk Management in the Banking Sector

On September 20th, 2006, Deloitte & Touche, Nigeria sponsored a one-day conference for the executive management of the twenty-five surviving banks within the Nigerian banking sector. The timing of this seminar follows the recent introduction, by the Central Bank of Nigeria (CBN), of a risk management guideline and implementation timeline for all Nigerian banks.

The objective of the conference was to discuss the issue of risk management and its relative importance within the banking sector. During the day, participants heard from speakers presenting on the topics of "What is Risk Management?"; "How to implement a Risk Management Process"; and "Why is Risk Management an Essential Component of the Financial Management Process?"

Ex-Im Bank's Vice President for the Asset Management Division, Mrs. Frances Nwachuku, conducted a presentation on "Why Risk Management is Essential". Mrs. Nwachuku approached this topic from the perspective of various stakeholders: i) government; ii) shareholders; iii) partners like Ex-Im Bank; iv) employees; and v) public. The role a financial institution plays in the lives of these stakeholders was explored as was the importance of sound risk management practices in the survival of a financial institution. Participants were also made aware of the unique role of banks as financial intermediaries and why effective execution of that role was impossible without a structure in place to manage the risk associated with assembly and distribution of capital.

Ex-Im Bank Participates in U.S. TDA/Eskom Power Industry Conference in South Africa

The U.S. Trade & Development Agency, in partnership with Eskom, South Africa's electric utility company, and the U.S. Commercial Service sponsored a three-day conference for American power industry suppliers in Johannesburg, South Africa October 16-19, 2006. The purpose of the conference was to acquaint U.S. engineering firms, major equipment manufacturers, and material suppliers with the more than \$14.9

billion in approved Eskom projects over the next 5 years. Eskom's plans range from the establishment of new independent power plants to the refurbishment of older facilities.

Eskom is the biggest energy provider in Africa and one of the 10 largest in the world. It is also one of the world's most advanced electricity providers. Eskom is also an active participant in the South African government's Black Economic Empowerment Initiative.

Ex-Im Bank Director J. Joseph Grandmaison addressed the 150+ audience at a luncheon on the second day of this event. Director Grandmaison outlined Ex-Im Bank's efforts in South Africa and focused on how Ex-Im Bank could work with Eskom, its contractors, independent power developers, U.S. exporters and local financial institutions.

Ex-Im Bank Participates in the Corporate Council on Africa's Infrastructure Conference in September and Africa Oil & Gas Forum in November

On September 27 - 29, the Corporate Council on Africa (CCA) sponsored its 2006 Infrastructure Conference, bringing together Ministers of Planning and Development from a number of African countries, as well as experts in infrastructure development and financing from both the United States and Africa. The goal of the conference was not only to showcase and promote sustainable private/public partnerships, but also to address trade and export challenges created by inadequate infrastructure on the African continent.

The conference featured 19 workshops, 11 of which were sponsored by companies, countries, and government agencies. The workshops addressed important aspects of infrastructure development essential to the African continent as well as to the investing companies. Each workshop was attended by expert panelists, moderators as well as audiences representing companies, non-governmental organizations and African countries.

Ex-Im Bank Director J. Joseph Grandmaison addressed members of the conference at a plenary session entitled, "Financing Your Projects." This session addressed the evolving project financing landscape on the African continent, the availability of solid local partners, and the risks and benefits of undertaking new project financing in Africa.

John Richter, Ex-Im Bank's regional director for Africa, discussed how Ex-Im Bank can be used to mitigate risk in infrastructure projects in Africa as part of the workshop "Credit Risk Mitigation," sponsored by U.S. Trade and Development Agency

A copy of the final conference report, detailing the various workshops and discussion can be found at CCA's website at the following location:

[http://www.africacncl.org/\(b4iir5455dvc3fy12g1l5p45\)/Events/CCA_2006_U.S._Africa_Infrastructure_Conference_Report.pdf](http://www.africacncl.org/(b4iir5455dvc3fy12g1l5p45)/Events/CCA_2006_U.S._Africa_Infrastructure_Conference_Report.pdf)

At CCA's 2006 Africa Oil & Gas Forum on November 30, Director J. Joseph Grandmaison moderated a Mali-focused session entitled, "Investing in Mali's Oil and Gas Potential." During this session Mali promoted its new investment code for the oil and gas sector and introduced a preferential customs and tax systems designed to attract national and foreign capital in production and services.

Ex-Im Bank Participates in Oklahoma-International Trade and Investment Conference

The Oklahoma-International Trade and Investment Conference, (OITIC), sponsored by the Oklahoma Black Chamber of Commerce, World Marketing Ventures Inc. and the State of Oklahoma was held on September 18 - 21 in Tulsa, Oklahoma. The primary objective of the conference was to promote partnerships, joint ventures and trade through formal and informal meetings to discuss projects and/or trade opportunities in Oklahoma and Africa. This 4-day event brought together senior government officials, local and foreign investors, entrepreneurs, bankers and institutions concerned with trade and investment issues in Oklahoma and internationally.

Ex-Im Bank's Regional Director for Africa, John Richter, attended the conference and presented the Bank's initiatives in Africa and explained how local exporters and international buyers can work with Ex-Im Bank.

Ex-Im Bank's 2006 Sub-Saharan Africa Advisory Committee Convened its Final Meeting of the Fiscal Year

The 2006 Sub-Saharan Africa Advisory Committee (SAAC) convened its final meeting of the fiscal year on October 11, 2006. The SAAC members were updated on the Bank's efforts since the last committee meeting in May 2006. Ex-Im Bank staff detailed the outreach to African regional financial institutions, the "Working with African Lenders" training seminar held in August, Ex-Im Bank's participation in the 5th Annual AGOA forum, and International Business Development's strategic initiatives for Africa.

The SAAC formed two sub-committees, which met individually with Ex-Im Bank staff to follow up on the progress made on the 2005 SAAC recommendations for Business Development and Product Transparency and discuss additional recommendations for the upcoming fiscal period. From this discussion, the SAAC members made several new recommendations which will help shape the strategic efforts of the Bank in Sub-Saharan Africa. The recommendations focused mainly on the areas of business development efforts and product transparency.

Recent Authorizations:

Featured Transaction

Ex-Im Bank supports AGOA related transaction: Commercial loan guarantee provided to M&T Bank to fund purchases of new and used textile equipment to Nigerian manufacturer.

Ex-Im Bank recently approved a \$2.3 million medium-term, comprehensive guarantee to support the sale of new and used textile equipment to Meggitto Ventures Limited in Lagos, Nigeria. The increase in production resulting from the newly acquired equipment will be dedicated primarily to the manufacturing of t-shirts, of which a majority will be exported to the United States under AGOA. This transaction is being supported by an irrevocable guarantee issued by Oceanic Bank International, Nigeria under the recently established Ex-Im Bank \$300 Million Nigerian Banking Facility. There are multiple U.S. exporters and suppliers for this transaction, however a majority of the items are being exported and or supplied by Southern Textile Exchange, LLC, Charlotte, NC; Vanguard Supreme, Monroe, NC; and Tubular textile Machinery, Inc., Lexington, NC.

Featured Transaction

Ex-Im Bank supports a 5 year commercial loan guarantee for UPS Capital to fund establishment of Xechem Pharmaceutical Plant in Nigeria

Ex-Im Bank approved a request from **UPS Capital Business Credit**, Hartford, Connecticut, for a five-year, medium-term guarantee in the amount of \$8,534,542 to support the sale of for U.S. pharmaceutical manufacturing equipment to Xechem Pharmaceuticals, a company located in Nigeria. In addition to the U.S. exports, Ex-Im financing will support local costs for this project totaling \$1,280,781. Diamond Bank Ltd. and Access Bank Plc will support the transaction by providing co-guarantees under the Ex-Im Bank's recently established \$300 Million Nigerian Banking Guarantee Facility. The Xechem Pharmaceutical Project will purchase U.S. manufactured plants and machinery supplied by leading pharmaceutical equipment vendors and EPC Contractors including Fisher Scientific, APT and NITRA Corp, etc.

The Xechem Pharmaceutical Plant in Nigeria will manufacture and commercialize NICOSAN™, a phyto-pharmaceutical used for the treatment of Sick Cell Disease (SCD), a genetic blood disorder caused by the abnormality in the hemoglobin molecule, affecting approximately 4 million Nigerians and another 6 to 8 million sufferers in the rest of Africa and 16 million worldwide. While the only known cure for SCD is Bone Marrow Transplant, which replaces defective red blood cells with donor healthy cells, NICOSAN™ taken once daily is the first drug to offer patients safe and effective treatment for the prophylactic management of SCD. The U.S. Department of Health and Human Services, Office of Orphan Products Development - Food and Drug Administration (FDA), granted the company Orphan Drug designation for

NICOSAN™. The Nigerian National Agency for Food and Drug Administration and Control (NAFDAC) has also approved NICOSAN™ for commercialization.

The Xechem Pharmaceutical Plant will also produce other products for the treatment of Malaria, HIV/ AIDS and related complications.

Ethiopia

- Via an Ex-Im Bank short-term, single buyer insurance policy, **Omega Aerospace Suppliers** of Colleyville, Texas was able to sell \$90,000 of aircraft parts to Ethiopian Airlines of Ethiopia. This transaction was approved in November 2006.

Ghana

- Through Ex-Im Bank's short-term, single buyer insurance, **Coastal Rice and Futures** of Houston, TX was able to execute a deal with its customer, Parry & Company Ltd. of Ghana. This transaction, approved in October 2006, will support the sale of rice valued at \$490,000.

Kenya

- Through Ex-Im Bank's short-term, single buyer insurance, **Selectrode Industries** of Huntington Station, NY was able to execute a deal with its customer, Welding Alloys Ltd. of Kenya. This transaction, approved in November 2006, will support the sale of new welding electronics valued at \$10,000.
- **Impex of Doral, Inc.** of Miami, Florida was able to sell disposable products valued at \$30,000 its customer, Healthcare Direct (K) Ltd. of Kenya using an Ex-Im Bank small business multi-buyer insurance policy. This transaction was approved in November 2006.

Liberia

- Through Ex-Im Bank's short-term single buyer insurance policy, **ATG Worldwide, LLC** of Bala Cynwyd, Pennsylvania was able to provide \$45,000 of non-perishable food to its customer, Fouani Brothers of Liberia. This transaction was approved in October 2006.

Namibia

- Through Ex-Im Bank's small business multi-buyer insurance policy, **Impex of Doral, Inc.** of Miami, Florida was able to execute a deal with its customer, Cactus Agencies and General of Namibia. This transaction, approved in November 2006, will support the sale of disposable products valued at \$30,000.

Niger

- Through Ex-Im Bank's medium-term single sale policy **RZB Finance, LLC** of New York, NY was able to execute a deal with its customer, ETS Sikieye Tahirou Salatou of Niger. This transaction, approved in October 2006, will support the sale of Mack trucks and Polar tankers valued at \$774,919.

Nigeria

- Through Ex-Im Bank's small business multi-buyer insurance policy, **Bluefield Associates** of Ontario, CA was able to execute a deal with its customer, Diplomat Investment Products of Nigeria. This transaction, approved in October 2006, will support the sale of cosmetics and toiletries valued at \$100,000.
- Through Ex-Im Bank's short-term single sale policy, **Robert & Pat Engineering** of Newtown, PA was able to execute a deal with its customer, Coastal Equipment Sales Ltd. of Nigeria. This transaction, approved in November 2006, will support the sale of used trucks and heavy construction equipment valued at \$45,000.
- Through Ex-Im Bank's letter of credit policy, **Sovereign Bank** of Boston, Massachusetts was able to confirm a letter of credit from Intercontinental Bank Plc. of Nigeria. This transaction, approved in November 2006, will support the sale of a hydraulic crawler crane valued at \$275,000 to Onne Port in Nigeria, by Pioneer Equipment Company.
- Through Ex-Im Bank's short-term multi-buyer comprehensive policy, **Bondo Corporation** of Atlanta, GA was able to execute a deal with its customer, Tagbo Technologies Ltd. of Nigeria. This transaction, approved in November 2006, will support the sale of automotive paint and after market products valued at \$200,000.
- Under the recently established \$300 million Nigerian Bank Facility, Ex-Im Bank approved a request from **M&T Bank**, Baltimore, Maryland for a five-year, medium-term guarantee in the amount of \$3,954,132 to support the sale of a thermal oil recovery system to Specialty Drilling Fluids Ltd., a company located in Nigeria. The primary source of repayment will be Access Bank Plc. The exporter is **Brandt**, of Houston, Texas.
- Ex-Im Bank approved a request from **Diebold Global Finance Corporation**, Canton, Ohio for a five-year, medium-term guarantee in the amount of \$5,000,000 to support the sale of ATM machines to The ATM Consortium Ltd. - a consortium of Nigerian banks. Under the recently established \$300 million Nigerian Bank Facility, Diamond Bank Plc will be the guarantor for this transaction.
- Ex-Im Bank renewed a \$10,000,000 short term single buyer policy for **Abro Industries** of South Bend, Indiana to sell automotive/industrial supply products to its customer, Coscharis Motors Ltd. of Lagos, Nigeria. This comprehensive policy is

used to support sales to Coscharis for its Nigeria, Ghana and Ivory Coast subsidiaries and was approved in November 2006.

South Africa

- Via an Ex-Im Bank short-term, single buyer insurance policy, **Thompson International** located in Henderson, KY was able to sell \$200,000 of drilling bits, drill pipe and parts to its customer, Atlas Copco Secoros of South Africa. This transaction was approved in August, 2006.
- Through the use of Ex-Im Bank's short-term, single buyer insurance, **Scafco Corporation** of Spokane, WA was able to execute a deal with its customer, Silo Warehouse (Pty) Ltd. of South Africa. This transaction, approved in August 2006, will support the sale of conveying equipment accessories valued at \$100,000.
- **C.L. Sturkey Inc.** of Lebanon, PA uses an Ex-Im Bank's short-term, single buyer insurance policy to execute a deal with its customer, Cell Path Services of South Africa. This transaction, approved in August 2006, will support the sale of disposable microtome blades valued at \$10,000.
- Through Ex-Im Bank's short-term, single buyer insurance, **Industrial Logic Corporation (ILC)** of Atlanta, GA was able to execute a deal with its customer, Telecom S.A. Ltd of South Africa. This transaction, approved in August 2006, will support the sale of communication hardware, software, installation and training valued at \$100,000.
- Via an Ex-Im Bank small business multi-buyer insurance policy, **Separation Systems, Inc.** of Gulf Breeze, FL was able to sell \$50,000 of new gas chromatographs and software to Sasol Ltd. of South Africa. This transaction was approved in October 2006.
- Through Ex-Im Bank's small business multi-buyer insurance policy, **H2O International, Inc.** of Deerfield Beach, FL was able to execute a deal with its customer, H2O International SA (Pty) Ltd. of South Africa. This transaction, approved in October 2006, will support the sale of new water filters and water purification systems valued at \$150,000.
- Ex-Im Bank has supported the sale of \$100,000 of portable toilets, portable toilet chemicals and sinks by **Ameriform, Inc.** of Muskegon, Michigan to Durban Function Hire of South Africa. A multi-buyer, small business insurance policy was used to support this October, 2006 transaction.
- Using Ex-Im Bank's small business multi-buyer insurance policy, **Star Parts, Inc.** of Wharton, Texas was able to execute a deal with its customer, Eagle International Spares Pty. of South Africa. This transaction, approved in October 2006, will support the sale of general heavy duty truck parts valued at \$75,000.

- Through the use of an Ex-Im Bank small business multi-buyer insurance policy, **Cappuccine, Inc.** of Palm Springs, CA was able to execute a deal with its customer, Slo-Jo of South Africa. This transaction, approved in October 2006, will support the sale of gourmet powdered beverage mixes valued at \$100,000.
- Via an Ex-Im Bank's small business multi-buyer insurance policy, **Nova Developments Corporation** of Calabasas, CA was able to execute a deal with its customer, Matsema (Pty.) Ltd. of South Africa. This transaction, approved in November 2006, will support the sale of new consumer graphics software valued at \$175,000.
- Through Ex-Im Bank's short-term multi-buyer comprehensive policy, **The Connell Company** of Berkeley Heights, New Jersey was able to execute a deal with its customer, Hitachi Construction Machinery of South Africa. This transaction, approved in November 2006, will support the sale of fork lifts and HVAC equipment valued at \$500,000.
- Through the use of Ex-Im Bank's small business multi-buyer insurance policy, **Citland International** of Alpharetta, Georgia was able to execute a deal with its customer, AngloGold Ashanti Ltd. of South Africa. This transaction, approved in November 2006, will support the sale of mining equipment and supplies valued at \$400,000.

Tanzania

- Ex-Im Bank has supported the sale of \$100,000 of cosmetics and toiletries by **Bluefield Associates** of Ontario, CA to S.H. Amon Enterprises Co Ltd. of Tanzania. A multi-buyer, small business insurance policy was used to support this October, 2006 transaction.

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